



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

September 8, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

This memorandum contains a pursuit of a County position on legislation regarding agreements between the County and the California Department of Food and Agriculture; a change of County position on legislation related to temporary disability benefits; and a report on County-interest legislation regarding the designation of a provider organization to negotiate the terms and conditions of employment for child care providers.

Pursuit of County Position on Legislation

AB 74 (Ma), which as amended on September 2, 2011, would prohibit the California Department of Food and Agricultural (CDFA) from entering into cooperative agreements with a county of the first class for agricultural inspector services unless a specified percentage of agricultural inspector aides are hired as permanent employees. The bill also would require any State agency holding an event with expected attendance over 10,000 participants on property that is either owned or operated by a State agency to conduct a threat assessment.

On July 26, 2011, Governor Brown signed AB 120, the FY 2011-12 Resources Trailer Bill, which, among other provisions, repealed AB 1896 of 2004, which prohibited CDFA from entering into a cooperative agreement with a county of the first class for agricultural inspector services if the agreement required that year-round services be provided, unless specified percentages of agricultural inspector aides not afforded

"To Enrich Lives Through Effective And Caring Service"

*Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only*

protections as permanent employees employed under the agreement are afforded civil service or other personnel system protections. AB 1896 of 2004 required that 33 percent of the aides be afforded the same protections as permanent employees for FY 2004-05 and 66 percent for FY 2005-06 and FY 2006-07. The bill also specified an appropriation of supplemental funding to offset resulting additional costs incurred by the County for FY 2004-05.

Although AB 1896 of 2004 specified an appropriation of supplemental funding to offset resulting additional costs incurred by the County only for FY 2004-05, CDFA secured State General Fund appropriations of \$760,000 and equivalently supplemented the value of the Pest Detection contract with the County for each year thereafter to offset added costs. The Department of Agricultural Commissioner/Weights and Measures (ACWM) indicates that CDFA provided corresponding supplemental funding to ACWM for contracted services as follows: \$380,000 in FY 2004-05 and \$760,000 from FY 2005-06 through FY 2010-11.

AB 74 would reinstate the prohibition for CDFA to enter into a cooperative agreement with a county of the first class for agricultural inspector services if the cooperative agreement requires that year-round services be provided, unless not less than 66 percent of the agricultural inspector aides not afforded protections as permanent employees under the cooperative agreement are afforded protections as permanent employees under the county's civil service or other personnel system. However, there is no funding provided in AB 74, thereby mandating staffing with permanent employees while appropriating no supplemental State funding.

The Department of Agricultural Commissioner/Weights and Measures indicates that AB 74 would affect the department's contract with CDFA for pest detection services by requiring the County to staff the Pest Detection Program in all future years with a minimum of 66 percent permanent agricultural inspector aides without providing supplemental funding for these positions and, therefore, AB 74 would create an unfunded mandate. In addition, ACWM indicates that AB 74 would limit the department's flexibility to exercise various options to continue to staff the Pest Detection Program should current CDFA funding for agricultural inspector services be reduced or curtailed in future fiscal years.

According to the Department of Agricultural Commissioner/Weights and Measures, the repeal of AB 1896 of 2004 was undertaken by CDFA to assist in addressing State General Fund reductions of \$19.0 million to CDFA in FY 2011-12 by eliminating the annual State General Fund appropriation of \$760,000. As reported in the July 5, 2011 Sacramento Update, ACWM successfully negotiated with CDFA to minimize resulting impacts from the decrease in revenue on the High Risk Pest Exclusion and Pest Detection Programs for the current fiscal year. ACWM is concerned that AB 74 could

result in potential costs to the County to the extent that the County must employ permanent employees as a precondition to entering into cooperative agreements with CDFA without assurance of ongoing supplemental funding in future years, thereby restricting the department's ability in addressing any future State revenue decreases and creating an unfunded mandate on the County.

The Department of Agricultural Commissioner/Weights and Measures and this office oppose AB 74. The County previously opposed similar legislation including AB 1896 of 2004 and AB 185 of 2003, which prohibited CDFA from entering into agreements with the County unless agricultural aides performing services under these agreements were made permanent employees by July 1, 2004. Therefore, consistent with existing Board policy to: 1) oppose any abridgement or elimination of the Board of Supervisors' power and duties unless the change promotes a higher priority of the Board; 2) oppose new unfunded mandates; and 3) support proposals that increase State funding for pest detection, **the Sacramento advocates will oppose AB 74.**

AB 74 is supported by the California Medical Association, California Peace Officers Association, San Mateo County Police Chiefs and Sheriff's Association, and Western Fairs Association. There is no registered opposition at this time.

AB 74 passed the Senate Floor by a vote of 22 to 15 on September 8, 2011. This measure now proceeds to the Assembly for concurrence with amendments made in the Senate.

Change in County Position on Legislation

County-opposed AB 947 (Solario), which would increase the cap on the payment of temporary disability benefits from up to 104 weeks to up to 240 weeks for injured workers who require additional medical treatment, was amended on September 2, 2011. The amendments would ensure that the extension of additional temporary disability benefits for certain injured workers is prospective in nature, and also would clarify the role of the primary treating physician.

According to CEO Risk Management staff, the September 2, 2011 amendments removed a previous retroactivity problem and substantially narrowed the focus of the bill to surgical cases where surgery is delayed based on the treating physician's reasonable and appropriate efforts to utilize more conservative care first. In addition, the amendment captures the original stated intent of the author and greatly diminishes the potential cost impact on the County. Therefore, **the Sacramento advocates will remove opposition to AB 947 and take no position on this measure.**

Legislation of County Interest

AB 101 (J. Pérez), which as amended on September 2, 2011, would authorize licensed family child care providers and license-exempt child care providers to designate a provider organization to negotiate the terms and conditions of employment.

California's subsidized child care programs assist low-income working families, CalWORKs families participating in welfare-to-work activities, and who have left the CalWORKs Program, and families whose children are found at risk of abuse or neglect. Families who receive subsidized child care may select from three types of providers: 1) licensed child care centers; 2) licensed family child care homes; or 3) license-exempt providers which are typically relatives or friends.

AB 101 would authorize licensed family child care providers and license-exempt child care providers to designate a provider organization to be its exclusive representative for the purpose of negotiating, joint-labor management agreements, contract grievance arbitration, provider benefits, reimbursement rates, access to professional development and training, expanded access to food and nutrition programs, and payment procedures for child care subsidy programs. The provider organization would be certified by the Public Employment Relations Board. The designated provider organization would be authorized to charge child care providers for activities related to representation. The bill would prohibit the provider organization from calling or directing a strike.

The bill would require the California Departments of Social Services and Education, at the request of the designated provider organization, to provide information regarding child care providers including each provider's name, home address, mailing address, telephone number, email address and license number. In addition, the State may seek the assistance of any State department or entity in possession of relevant information regarding child care providers, including whether or not any provider participated in a child care subsidy program in the previous six months, to make that information available to the provider organization. The provider organization would cover reasonable costs for collecting this information.

AB 101 would require the Governor, through the State Department of Personnel, and in consultation with the Superintendent of Public Instruction, other State agencies that administer subsidized child care programs, and their contractors to meet and confer with the certified provider organization. Child care providers would be deemed to be self-employed and would not be considered public employees. Any agreement reached between the Governor and the provider organization requiring an appropriation or statutory or regulatory changes would be subject to legislative approval.

Each Supervisor
September 8, 2011
Page 5

The provisions in AB 101 were contained in previous measures including SB 697 (Kuehl) and SB 1600 (Kuehl) both of 2006, AB 1164 (de Leon) of 2007, and SB 867 (Cedillo) of 2008. SB 1600 was held on the Senate Appropriations suspense file in May 2006 due to increased General Fund costs. Governor Schwarzenegger vetoed SB 697, AB 1164, and SB 867 citing impact to the State budget deficit and indicating that the measures would reduce the number of available child care slots and child care services.

Proponents of AB 101 contend that California families have inadequate access to affordable, quality family child care because low wages and lack of benefits results in a high turnover among child care providers. According to its supporters, AB 101 would improve the quality of child care in California by allowing family child care providers to select a provider organization for the purpose of representing them in negotiations with the State to facilitate timely and accurate payments, fair rates, consistent enforcement of licensing regulations, greater access to training and other improvements to advance child care quality, access and stability.

AB 101 is sponsored by the Child Care Providers Union and supported by the American Federation of State, County and Municipal Employees, Children's Advocacy Institute, San Mateo County Center Labor Council and the Services Employees International Union.

There is currently no registered opposition on file; however, similar measures have been opposed by the California Alternative Payment Program Association, the California Child Care Development Administrators Association, the Child Care Alliance of California, the Child Development Policy Institute, the California Chamber of Commerce, the Child Care Alliance of Los Angeles County and the California Teachers Association.

AB 101 passed the Senate Labor and Industrial Relations Committee by a vote of 5 to 1 on September 7, 2011. This measure now proceeds to the Senate Floor.

This office, the Department of Public Social Services, and County Counsel are reviewing AB 101 to determine its impact on the County.

We will continue to keep you advised.

WTF:RA
MR:IGEA:sb

c: All Department Heads
Legislative Strategist